



January 25, 2011

The Honorable Dave Camp
Chair
Ways & Means Committee
U.S. House of Representatives
1102 Longworth House Office Building
Washington, DC 20515

The Honorable Sandy M. Levin
Ranking Member
Ways & Means Committee
U.S. House of Representatives
1102 Longworth House Office Building
Washington, DC 20515

**RE: January 25, 2011 Hearing on the Pending Free Trade
Agreements with Colombia, Panama, and South Korea and the
Creation of U.S. Jobs**

Dear Chairman Camp and Ranking Member Levin:

Thank you for providing us this opportunity to provide this written testimony for today's hearing on the Pending Free Trade Agreements with Colombia, Panama, and South Korea and the Creation of U.S. Jobs.

The American Apparel & Footwear Association (AAFA) is the national trade association representing the apparel and footwear industries, and their suppliers. Our members produce and market sewn products throughout the United States and the world. In short, our members make everywhere and sell everywhere.

On behalf of AAFA and its members, I applaud you for calling this hearing to showcase the importance of these pending free trade agreements to U.S. workers, U.S. businesses and U.S. consumers. We share your desire to move not only the Korea-U.S. Free Trade Agreement, but also the U.S.-Columbia and U.S.-Panama Trade Promotion Agreements through Congress as soon as possible.

Congressional approval and U.S. government implementation of these agreements will play a crucial role in driving the U.S. economic recovery. Therefore, we pledge to work with you to make quick passage and implementation of these important free trade agreements a reality.

These agreements have been pending for far too long, with American workers and American businesses paying the price in lost jobs and lost business as we stand on the sidelines. In the apparel and footwear industry, we have seen firsthand the costs of waiting.

U.S.-Colombia Trade Promotion Agreement (TPA)

Since the U.S.-Colombia Trade Promotion Agreement was signed on November 22, 2006, U.S. apparel imports from and U.S. textile exports to Colombia fallen by over half, jeopardizing thousands of U.S. textile and apparel jobs.

In the four years since the agreement was signed, the *Andean Trade Promotion & Drug Eradication Act* (ATPDEA), a unilateral trade preference program which provides duty-free access to the U.S. market for apparel from Colombia made from U.S. textiles, has been allowed to almost lapse and has been extended a total of 6 times, the most recent being a paltry extension of six weeks, through February 12, only a few weeks away. These short term extensions have created immense uncertainty that has driven apparel and trade out of the region and has threatened the very existence of this mutually beneficial relationship.

It is important to emphasize here that Congress has approved, in most cases by unanimous or voice vote, the extension of the ATPDEA a total of six times in the last four years. ATPDEA is a unilateral trade preference program that provides duty-free access to the U.S. market for virtually all products from Colombia while offering NO access for U.S.-made and U.S.-grown products to the Colombian market. Meanwhile, the U.S.-Colombia TPA, upon implementation, immediately eliminates duties on virtually all U.S. products entering the Colombian market.

In our industry, quick passage and implementation of the U.S.-Colombia TPA would provide the certainty that U.S. textile manufacturers and U.S. apparel firms both need to continue and grow their mutually beneficial relationship. Not only is the TPA permanent, it also provides additional incentives to grow this relationship by immediately eliminating duties on all U.S. textile exports to Colombia upon implementation of the TPA.

Finally, the TPA provides incentives to U.S. footwear firms to diversify their sourcing, bringing back footwear to this hemisphere and offering U.S. footwear materials suppliers new opportunities to export their products.

Korea-U.S. Free Trade Agreement (KORUS FTA)

U.S. apparel, footwear and textile manufacturers, and their suppliers, have been forced to leave money, and U.S. jobs, on the table since the Korea-U.S. Free Trade Agreement (KORUS FTA) was signed on June 30, 2007. For the past 3 1/2 years, U.S. apparel, footwear and textile manufacturers have been forced to forgo opportunities to enter or expand in to the lucrative and fast-growing Korean market at a time when they have had to endure worst economic recession in U.S. history.

The KORUS FTA offers, upon implementation, immediate duty-free entry for U.S. apparel and textile manufacturers into what is their 12th largest export market and for U.S. footwear manufacturers into what is their 5th largest market.

With U.S. apparel, footwear and textile manufacturers already exporting over \$250 million worth of product to Korea, the potential the KORUS FTA provides to these companies, and the thousands of U.S. workers they employ, should not be ignored.

U.S.-Panama Trade Promotion Agreement (TPA)

Like the other two agreements, 3 1/2 years of opportunities have already been lost since the U.S.-Panama Trade Promotion Agreement (TPA) was signed on June 28, 2007. The U.S.-Panama TPA offers U.S. apparel, footwear and textile firms a range of new opportunities.

The TPA provides duty-free access for apparel from Panama made from U.S. textiles. Further, the TPA provides incentives to U.S. footwear firms to diversify their sourcing, bringing back footwear to this hemisphere and offering U.S. footwear materials suppliers new opportunities to export their products.

Again, the time has come for Congress to immediately approve, and the U.S. government to immediately implement, the long-pending free trade agreements with Colombia, Korea and Panama. We look forward to working with you towards accomplishing this laudable goal.

Thank you for your time and consideration in this matter. Please contact Nate Herman of my staff at 703-797-9062 or nherman@apparelandfootwear.org if you have any questions or would like additional information.

Please accept my best regards,

Kevin M. Burke

A handwritten signature in black ink that reads "Kevin M. Burke". The signature is fluid and cursive, with the first letters of each word being capitalized and prominent.

President & CEO